

# NEW LAW STARTS HOUSING PROJECT

**Limited-Dividend Cooperative  
With 700 Units in Bronx  
Will Cost \$6,500,000**

Announcement of plans for a 700 - apartment limited - dividend project in the Bronx followed immediately yesterday Governor Dewey's approval of a law to permit higher rentals on such buildings. The \$6,500,000 Bronx project is to be built by the Amalgamated Housing Corporation adjoining that concern's existing housing near Van Cortlandt Park.

The announcement was made after a conference at City Hall in which Mayor O'Dwyer talked with Herman T. Stichman, State Housing Commissioner; Robert Moses, City Coordinator of Construction; Bronx Borough President James J. Lyons, and representatives of the corporation.

Abraham E. Kazan heads the housing concern, which was organized in 1927 under the sponsorship of the late Sidney Hillman, president of the Amalgamated Clothing Workers of America. Jacob S. Potofsky, Mr. Hillman's successor, is a director of the corporation.

The new project, according to Mr. Kazan, will reserve at least half its apartments for veterans. It will be a cooperative with tenants investing \$600 a room. Maintenance and retirement of a mortgage now being negotiated will cost \$15 a room a month, it was estimated. Under the law approved yesterday by Governor Dewey, it will be permissible for Mr. Stichman to allow this charge. Formerly the ceiling on limited dividend projects was \$13 a room outside New York County. The ceilings apply whether or not tenants of such a corporation are also stockholders.

In approving plans for the project, Mayor O'Dwyer said he would recommend to the City Council the adoption of a local law to grant thirty years' exemption from real estate taxes on the new buildings.

Other features that are expected to make possible the low monthly charges for apartments are the limitation of earnings to 6 per cent of actual investment, and low interest rate on the mortgage to cover the rest of the cost of construction.

Mr. Stichman said that the new Bronx development, and others which are contemplated here and elsewhere in the State, provided a solution to the problem of housing the vast number of families unable to pay much more than \$15 a room a month in rent.

The Amalgamated project, he said, "is an excellent example of cooperative effort by families in need of housing, and by it they will help themselves to acquire good homes."

The new apartment group will include seven buildings, covering about 37 per cent of a seven-acre area extending west from Sedgwick Avenue just south of Van Cortlandt Park. The neighborhood is served by Public School 95 and De Witt Clinton High School, and is near Independent and IRT subway lines.